

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Village of Gaines	County Genesee
Audit Date March 31, 2004	Opinion Date July 2, 2004	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

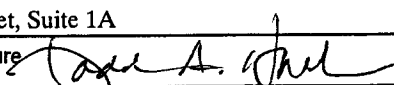
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ yes ☐ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1-968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91 ], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 1 00% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) BKR Dupuis & Ryden			
Street Address 111 E. Court Street, Suite 1A	City Flint	State MI	ZIP 48502
Accountant Signature  Tadd A. Harburn, CPA			

**Financial Statements**

**Village of Gaines  
Genesee County, Michigan**

**March 31, 2004**

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*Accountants' Report*

Village Council  
Village of Gaines  
Genesee County, Michigan

We have compiled the accompanying general purpose financial statements of the Village of Gaines, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents, in accordance with statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included in order to conform with accounting principles generally accepted in the United States of America. The amount that should be recorded in the general fixed assets account group is not known.

*BKR Dupuis & Ryden*

Certified Public Accountants  
Flint Office

July 2, 2004

**General Purpose**  
**Financial Statements**

**Village of Gaines**  
**Combined Balance Sheet - All Fund Types**  
**March 31, 2004**

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 90,227	\$ 125,289	\$ 184,249
Receivables:			
Accounts	4,332	5,200	13,083
Delinquent taxes	11,637	6,194	1,650
Advances to other funds	-	-	20,000
Due from other funds	-	1,499	6,425
Due from other governments	4,379	8,359	-
Property and equipment - net	-	-	1,409,004
Total assets	<u>\$ 110,575</u>	<u>\$ 146,541</u>	<u>\$ 1,634,411</u>
<b>Liabilities, Fund Equity, and Other Credits</b>			
Liabilities:			
Accounts payable	\$ 5,387	\$ 5,458	\$ 16,210
Accrued liabilities	2,771	-	-
Advances from other funds	-	20,000	-
Due to other funds	7,924	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	9,149
Total liabilities	<u>16,082</u>	<u>25,458</u>	<u>25,359</u>
Fund equity and other credits:			
Contributed capital	-	-	2,005,810
Retained earnings (deficit)	-	-	(396,758)
Fund balance:			
Reserved for building department	496	-	-
Unreserved:			
Designated	14,639	-	-
Undesignated	79,358	121,083	-
Total fund equity and other credits	<u>94,493</u>	<u>121,083</u>	<u>1,609,052</u>
Total liabilities, fund equity and other credits	<u>\$ 110,575</u>	<u>\$ 146,541</u>	<u>\$ 1,634,411</u>

*See notes to financial statements.*

<u>Fiduciary Fund Type</u>		<u>Total (Memorandum Only)</u>	
<u>Agency</u>			
\$	481	\$	400,246
	-		22,615
	-		19,481
	-		20,000
	-		7,924
	-		12,738
	-		1,409,004
<hr/>			
\$	481	\$	1,892,008
<hr/>			

\$	-	\$	27,055
	-		2,771
	-		20,000
	-		7,924
	481		481
	-		9,149
<hr/>			
	481		67,380
<hr/>			

	-		2,005,810
	-		(396,758)
	-		496
	-		14,639
	-		200,441
<hr/>			
	-		1,824,628
<hr/>			
\$	481	\$	1,892,008
<hr/>			

**Village of Gaines**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**All Governmental Fund Types**  
**For the Year Ended March 31, 2004**

	General	Special Revenue	Total (Memorandum Only)
<b>Revenues:</b>			
Taxes	\$ 49,236	\$ 25,899	\$ 75,135
Licenses and permits	183	-	183
Intergovernmental:			
Federal	15,431	-	15,431
State	38,730	43,032	81,762
Fines and fees	1,416	30	1,446
Interest	154	458	612
Miscellaneous	11,406	638	12,044
	<hr/>	<hr/>	<hr/>
Total revenues	116,556	70,057	186,613
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
General government	73,407	-	73,407
Public safety	-	42,438	42,438
Highways and streets	-	36,924	36,924
Planning	350	-	350
Recreation and cultural	1,076	-	1,076
Other	25,111	-	25,111
Capital outlay	1,032	238	1,270
	<hr/>	<hr/>	<hr/>
Total expenditures	100,976	79,600	180,576
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	15,580	(9,543)	6,037
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	33,635	33,635
Operating transfers out	(33,635)	-	(33,635)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(33,635)	33,635	-
	<hr/>	<hr/>	<hr/>
Excess of revenues and other financing sources over expenditures and other financing uses	(18,055)	24,092	6,037
	<hr/>	<hr/>	<hr/>
Fund balance - beginning of year	112,548	96,991	209,539
	<hr/>	<hr/>	<hr/>
Fund balance - end of year	\$ 94,493	\$ 121,083	\$ 215,576
	<hr/>	<hr/>	<hr/>

*See notes to financial statements.*



**Village of Gaines**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General and Special Revenue Fund Types**  
**For the Year Ended March 31, 2004**

	<b>General fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Taxes	\$ 43,562	\$ 49,236	\$ 5,674
Licenses and permits	437	183	(254)
Intergovernmental:			
Federal	14,355	15,431	1,076
State	44,291	38,730	(5,561)
Fines and fees	1,758	1,416	(342)
Interest	5,674	154	(5,520)
Miscellaneous	5,414	11,406	5,992
Total revenues	115,491	116,556	1,065
<b>Expenditures:</b>			
Current:			
General government	68,606	73,407	(4,801)
Public safety	1,000	-	1,000
Highways and streets	-	-	-
Planning	500	350	150
Recreation and cultural	3,223	1,076	2,147
Other	21,579	25,111	(3,532)
Capital outlay	1,200	1,032	168
Total expenditures	96,108	100,976	(4,868)
Excess (deficiency) of revenues over expenditures	19,383	15,580	(3,803)
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	(31,352)	(33,635)	(2,283)
Total other financing sources (uses)	(31,352)	(33,635)	(2,283)
Excess of revenues and other financing sources over expenditures and other financing uses	(11,969)	(18,055)	(6,086)
Fund balance - beginning of year	112,548	112,548	-
Fund balance - end of year	\$ 100,579	\$ 94,493	\$ (6,086)

*See notes to financial statements.*

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 21,504	\$ 25,899	\$ 4,395
-	-	-
-	-	-
45,500	43,032	(2,468)
-	30	30
1,330	458	(872)
20,499	638	(19,861)
88,833	70,057	(18,776)
-	-	-
50,327	42,438	7,889
45,437	36,924	8,513
-	-	-
-	-	-
700	238	462
96,464	79,600	16,864
(7,631)	(9,543)	(1,912)
39,352	33,635	(5,717)
(3,760)	-	3,760
35,592	33,635	(1,957)
27,961	24,092	(3,869)
96,991	96,991	-
\$ 124,952	\$ 121,083	\$ (3,869)

**Village of Gaines**  
**Combined Statement of Revenues, Expenses and Changes**  
**in Retained Earnings - All Proprietary Fund Types**  
**For the Year Ended March 31, 2004**

	<u>Enterprise (Sewer)</u>
<b>Operating revenues:</b>	
Charges for services	\$ 27,276
Total operating revenues	<u>27,276</u>
<b>Operating expenses:</b>	
Depreciation	46,707
Repairs and maintenance	2,453
Pump maintenance	11,700
Administration	4,366
County charges and billing	33,111
Utilities	1,884
Professional fees	950
Total operating expenses	<u>101,171</u>
Operating loss	<u>(73,895)</u>
<b>Nonoperating revenues:</b>	
Tap in fees	6,440
Interest income	167
Total nonoperating revenues	<u>6,607</u>
Net loss	(67,288)
Retained earnings (deficit) - beginning of year	<u>(329,470)</u>
Retained earnings (deficit) - end of year	<u><u>\$ (396,758)</u></u>

*See notes to financial statements.*

**Village of Gaines  
Combined Statement of Cash Flows -  
All Proprietary Fund Types  
For the Year Ending March 31, 2004**

	<u>Enterprise (Sewer)</u>
<b>Cash flows from operating activities:</b>	
Operating loss	\$ (73,895)
Adjustments to reconcile net operating loss to net cash used in operating activities:	
Depreciation	46,707
Decrease in accounts receivable	37,066
(Increase) in due from other funds	(1,218)
(Increase) in advances to other funds	(20,000)
(Decrease) in accounts payable	6,425
Increase in deferred revenue	-
Increase in due to other funds	-
	<u>(4,915)</u>
Net cash used in operating activities	
<b>Cash flows from capital and related financing activities:</b>	
Capital contributions received	<u>6,440</u>
Net cash flows provided by capital and related financing activities	<u>6,440</u>
<b>Cash flows from investing activities:</b>	
Interest earned	<u>167</u>
Net cash flows provided by investing activities	<u>167</u>
Net increase in cash	1,692
Cash and cash equivalents - beginning of year	<u>182,557</u>
Cash and cash equivalents - end of year	<u><u>\$ 184,249</u></u>

*See notes to financial statements.*

**Notes to  
Financial Statements**

**Village of Gaines**  
**Notes to Financial Statements**  
**March 31, 2004**

**I. Summary of significant accounting policies**

The Village of Gaines is located in Genesee County, Michigan. The Village operates under a Village Council consisting of seven members and provides various services to its residents.

The accounting and reporting policies of the Village of Gaines conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting policies. The following is a summary of the more significant policies.

**A. Financial reporting entity:**

The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) in its Statement 14 for determining the various governmental organizations to be included in the financial reporting entity. The Village is the primary government having oversight responsibility and control over all activities. The Village receives funding from local and state government sources and must comply with all concomitant requirements of these funding source entities. As required by generally accepted accounting principles, the financial statements of the reporting entity include those activities of the Village (the primary government) and do not include any other component unit within its general purpose financial statements.

**B. Basis of presentation - fund accounting:**

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised of assets, liabilities, revenues and expenditures or expenses, as appropriate. Government resources are allocated and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are displayed as follows in the financial statements.

**GOVERNMENTAL FUNDS**

**General Fund** - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

**Special Revenue Funds** - Special Revenue Funds are used to account for revenues derived from special sources usually required by law or regulation to be accounted for in separate funds.

**Village of Gaines**  
**Notes to Financial Statements**  
**March 31, 2004**

**I. Summary of significant accounting policies - (continued)**

**B. Basis of presentation - fund accounting: - (continued)**

**PROPRIETARY FUNDS**

Enterprise Fund - The Enterprise Fund is used to account for operations (a) financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management controls and accountability, or other purposes.

**FIDUCIARY FUND**

Agency Fund – An Agency Fund is generally used to account for assets held by the village as an agent for individuals, private organizations, other governments, and/or other funds. These are custodial in nature and do not involve measurement of results of operations.

**C. Basis of accounting: and measurement focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and agency funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net assets. The modified accrual basis of accounting is used for all governmental funds and agency funds. Their revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include property taxes, interest earnings, reimbursement-type grants, and reimbursements for the use of materials or services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due. The Village considers property taxes as available if they are collected within 60 days after year end.

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements present increases (e.g. revenues) and decrease (e.g. expenses) in net total assets. The accrual basis of accounting is used for the Proprietary Fund. Its revenues are recognized when earned, and expenses are recognized when incurred. In accordance with Governmental Accounting Standards Board Statement 20, the Village has applied all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, unless the FASB pronouncements conflict or contradict GASB pronouncements. Non-exchange contributions (generally tap-in-fees) are recorded as non-operating revenues.

**Village of Gaines**  
**Notes to Financial Statements**  
**March 31, 2004**

**I. Summary of significant accounting policies - (continued)**

**C. Basis of accounting; and measurement focus – (continued)**

Property taxes are levied on July 1 and delinquent taxes become an enforceable lien on the property as of December 31. The Village bills and collects its own property taxes. Collection of taxes is accounted for in the tax collections fund. Village property tax revenues are recognized when levied.

**D. Budgetary data**

1. A budget for the fiscal year was adopted by the Village Council for all budgetary funds, in total by fund. The original budget and subsequent amendments approved by a majority vote of the Village Council include proposed expenditures and ways of financing those expenditures.
2. A public hearing is conducted to obtain taxpayers comments.
3. The budget is adopted on a basis consistent with generally accepted accounting principles.
4. Appropriations lapse at year end.

**E. Receivables**

Receivables have been recognized for all significant amounts due the Village in accordance with the accounting principles used for the particular fund. Valuation reserves have not been provided as all receivables are considered collectible.

**F. Cash equivalents**

All highly liquid investments with a maturity of three months or less when purchased are defined as cash equivalents.

**G. Total columns on combined statements**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**H. Encumbrances**

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.



**Village of Gaines**  
**Notes to Financial Statements**  
**March 31, 2004**

**I. Summary of significant accounting policies - (continued)**

**I. Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**II. Cash and investments**

The Village is authorized by the State of Michigan Public Act 132 of 1986 to deposit its funds in banks, savings and loan associations, or credit unions having their principal offices in the State of Michigan. Surplus funds of the Village are permitted to be invested in bonds, bills or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the state; certificates of deposit issued by a state or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this state; commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase; securities issued or guaranteed by agencies or instrumentalities of the United States government; United States government or federal agency obligation repurchase agreements; bankers' acceptances issued by a bank that is a member of the federal deposit insurance corporation; mutual funds composed entirely of investment vehicles that are legal for direct investment by a village; and investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.111 to 129.118 of the Michigan Compiled Laws that are legal for direct investment by a Village.

The carrying amount at year end of the Village deposits with financial institutions was \$400,076. An additional \$170 of petty cash is not on deposit with any financial institution at year end. The actual bank balances amounted to \$405,422. Of this amount \$266,139 is insured by the FDIC and \$139,283 was uninsured and uncollateralized.

**III. Stewardship, compliance, and accountability**

**Budget variances:**

Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a local government unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2004, the Village incurred expenditures in the General and Special Revenue Funds in excess of the amount appropriated as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 96,108	\$100,976	\$ 4,868
Special Revenue Funds:			
Local Street	18,885	24,177	5,292
Street Maintenance	200	238	38
Fire Fund	14,217	14,329	112

**Village of Gaines**  
**Notes to Financial Statements**  
**March 31, 2004**

**III. Stewardship, compliance, and accountability – (continued)**

Deficit fund balance/retained earnings:

The Village has an accumulated deficit retained earnings/fund balance in the following funds:

<u>Fund</u>	<u>Deficit Balance</u>
Enterprise Fund:	
Sewer Fund – retained earning (deficit)	\$(396,758)

The deficit in the Sewer Enterprise Fund was caused by operating expenses exceeding operating revenues. The Sewer Fund has positive total fund equity and working capital.

**IV. Interfund receivables and payables**

Interfund receivables and payables of the individual funds at March 31, 2004 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Street Fund	General Fund	\$ 1,158
Fire Fund	General Fund	306
Police Fund	General Fund	35
Sewer Fund	General Fund	<u>6,425</u>
Total		<u>\$ 7,924</u>

**V. Proprietary fund property and equipment**

A summary of proprietary fund type property and equipment at March 31, 2004 is as follows:

	<u>Cost</u>	<u>Useful Life</u>
Water and sewer mains	\$2,335,362	50 years
Less: accumulated depreciation	<u>926,358</u>	
	<u>\$1,409,004</u>	

**VI. Significant concentrations of credit risk**

Financial instruments potentially subjecting the Village to concentrations of credit risk consist principally of uninsured cash deposits. Risk associated with cash is disclosed in Note 2.

**Village of Gaines**  
**Notes to Financial Statements**  
**March 31, 2004**

**VII. Construction code revenues/expenditures**

The State Construction Code Act, Michigan Public Act 245 of 1999, and rules promulgated by the Department of Treasury regarding that Act, require that a local unit's fees collected from construction code permits be accounted for in a method which shows that all of these fees were used for expenditures related to the operation of the enforcing agency. The rules indicated that if the revenues exceeded the expenditures, the fees collected must be kept in a separate fund with all the revenues and expenditures accounted for in that fund. These rules allowed for monitoring these funds in a separate activity center within the General Fund and reserving General Fund fund balance for the excess of building department revenues over expenditures since adoption of the Act. The activity related to construction code activity for the year ended March 31, 2004 and General Fund reserved fund balance at year end is as follows:

Beginning reserved fund balance	\$ 133
Construction permit revenue	-
Expenditures:	
Professional services	<u>-</u>
Revenues over expenditures	<u>\$ 133</u>

**Combining and Individual Fund  
Financial Statements**

**Village of Gaines  
General Fund  
Schedule of Expenditures Compared to Budget  
For the Year Ended March 31, 2004**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>General government:</b>			
Village council	\$ 2,575	\$ 2,175	\$ 400
Village president	1,200	1,200	-
Village clerk	27,518	28,800	(1,282)
Village treasurer	3,484	4,228	(744)
Village hall and grounds	29,011	29,343	(332)
Meetings, transportation and sundry	2,484	3,285	(801)
Public benefit	2,334	4,376	(2,042)
<b>Total general government</b>	<b>68,606</b>	<b>73,407</b>	<b>(4,801)</b>
<b>Public safety:</b>			
Building inspector	1,000	-	1,000
<b>Total public safety</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>Planning:</b>			
Planning	500	350	150
<b>Total planning</b>	<b>500</b>	<b>350</b>	<b>150</b>
<b>Recreation and cultural:</b>			
Depot and parks	3,223	1,076	2,147
<b>Total recreation and cultural</b>	<b>3,223</b>	<b>1,076</b>	<b>2,147</b>
<b>Other</b>	<b>21,579</b>	<b>25,111</b>	<b>(3,532)</b>
<b>Capital outlay</b>	<b>1,200</b>	<b>1,032</b>	<b>168</b>
<b>Total expenditures</b>	<b>\$ 96,108</b>	<b>\$ 100,976</b>	<b>\$ (4,868)</b>

**Village of Gaines  
Special Revenue Funds  
Combining Balance Sheet  
March 31, 2004**

	<b>Major Street</b>	<b>Local Street</b>	<b>Fire</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 32,504	\$ 30,667	\$ 2,044
Accounts receivable	-	-	-
Delinquent taxes receivable	-	-	3,901
Due from other funds	1,158	-	306
Due from other governments	6,297	2,062	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 39,959	\$ 32,729	\$ 6,251
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 3,620	\$ 900	\$ 645
Advances from other funds	2,000	18,000	-
	<hr/>	<hr/>	<hr/>
Total liabilities	5,620	18,900	645
<b>Fund balances:</b>			
Unreserved	34,339	13,829	5,606
	<hr/>	<hr/>	<hr/>
Total fund balance	34,339	13,829	5,606
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 39,959	\$ 32,729	\$ 6,251
	<hr/>	<hr/>	<hr/>

Police	Sidewalk	Equipment Replacement	Street Maintenance	Total
\$ 1,805	\$ 9,788	\$ 16,796	\$ 31,685	\$ 125,289
-	5,200	-	-	5,200
-	1,147	-	1,146	6,194
35	-	-	-	1,499
-	-	-	-	8,359
<u>\$ 1,840</u>	<u>\$ 16,135</u>	<u>\$ 16,796</u>	<u>\$ 32,831</u>	<u>\$ 146,541</u>
\$ 293	\$ -	\$ -	\$ -	\$ 5,458
-	-	-	-	20,000
293	-	-	-	25,458
1,547	16,135	16,796	32,831	121,083
1,547	16,135	16,796	32,831	121,083
<u>\$ 1,840</u>	<u>\$ 16,135</u>	<u>\$ 16,796</u>	<u>\$ 32,831</u>	<u>\$ 146,541</u>

**Village of Gaines**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended March 31, 2004**

	<b>Major Street</b>	<b>Local Street</b>	<b>Fire</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 16,311
Intergovernmental:			
State	32,443	10,589	-
Fines and fees	-	-	-
Interest	90	115	15
Miscellaneous	-	-	-
Total revenues	<u>32,533</u>	<u>10,704</u>	<u>16,326</u>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	14,329
Highways and streets	12,509	24,177	-
Capital outlay	-	-	-
Total expenditures	<u>12,509</u>	<u>24,177</u>	<u>14,329</u>
Excess (deficiency) of revenues over expenditures	<u>20,024</u>	<u>(13,473)</u>	<u>1,997</u>
<b>Other financing sources:</b>			
Operating transfers in	-	-	2,500
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,500</u>
Excess (deficiency) of revenues and other financing sources over expenditures	20,024	(13,473)	4,497
Fund balance - beginning of year	<u>14,315</u>	<u>27,302</u>	<u>1,109</u>
Fund balance - end of year	<u><u>\$ 34,339</u></u>	<u><u>\$ 13,829</u></u>	<u><u>\$ 5,606</u></u>



Police	Sidewalk	Equipment Replacement	Street Maintenance	Total
\$ -	\$ 4,794	\$ -	\$ 4,794	\$ 25,899
-	-	-	-	43,032
30	-	-	-	30
66	34	60	78	458
555	-	83	-	638
651	4,828	143	4,872	70,057
27,239	870	-	-	42,438
-	-	-	238	36,924
-	-	238	-	238
27,239	870	238	238	79,600
(26,588)	3,958	(95)	4,634	(9,543)
28,135	-	3,000	-	33,635
28,135	-	3,000	-	33,635
1,547	3,958	2,905	4,634	24,092
-	12,177	13,891	28,197	96,991
\$ 1,547	\$ 16,135	\$ 16,796	\$ 32,831	\$ 121,083

**Village of Gaines**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget to Actual**  
**For the Year Ended March 31, 2004**

	<b>Major Street Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
State	34,500	32,443	(2,057)
Fines and fees	-	-	-
Interest	100	90	(10)
Miscellaneous	13,333	-	(13,333)
Total revenues	47,933	32,533	(15,400)
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Highways and streets	26,352	12,509	13,843
Capital outlay	-	-	-
Total expenditures	26,352	12,509	13,843
Excess (deficiency) of revenues over expenditures	21,581	20,024	(1,557)
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	(2,000)	-	2,000
Total other financing sources (uses)	(2,000)	-	2,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	19,581	20,024	443
Fund balance - beginning of year	14,315	14,315	-
Fund balance - end of year	\$ 33,896	\$ 34,339	\$ 443

Local Street Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
11,000	10,589	(411)
-	-	-
1,000	115	(885)
6,666	-	(6,666)
18,666	10,704	(7,962)
-	-	-
18,885	24,177	(5,292)
-	-	-
18,885	24,177	(5,292)
(219)	(13,473)	(13,254)
-	-	-
(1,760)	-	1,760
(1,760)	-	1,760
(1,979)	(13,473)	(11,494)
27,302	27,302	-
\$ 25,323	\$ 13,829	\$ (11,494)

Fire Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 14,000	\$ 16,311	\$ 2,311
-	-	-
-	-	-
-	15	15
-	-	-
14,000	16,326	2,326
14,217	14,329	(112)
-	-	-
-	-	-
14,217	14,329	(112)
(217)	1,997	2,214
217	2,500	2,283
-	-	-
217	2,500	2,283
-	4,497	4,497
1,109	1,109	-
\$ 1,109	\$ 5,606	\$ 4,497

(continued)

**Village of Gaines**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget to Actual (continued)**  
**For the Year Ended March 31, 2004**

	<b>Police Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
State	-	-	-
Fines and fees	-	30	30
Interest	-	66	66
Miscellaneous	500	555	55
Total revenues	500	651	151
<b>Expenditures:</b>			
Current:			
Public safety	28,385	27,239	1,146
Highways and streets	-	-	-
Capital outlay	-	-	-
Total expenditures	28,385	27,239	1,146
Excess (deficiency) of revenues over expenditures	(27,885)	(26,588)	1,297
<b>Other financing sources (uses):</b>			
Operating transfers in	28,135	28,135	-
Operating transfers out	-	-	-
Total other financing sources (uses)	28,135	28,135	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	250	1,547	1,297
Fund balance - beginning of year	-	-	-
Fund balance - end of year	\$ 250	\$ 1,547	\$ 1,297

Sidewalk Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,204	\$ 4,794	\$ 1,590
-	-	-
-	-	-
50	34	(16)
-	-	-
3,254	4,828	1,574
7,725	870	6,855
-	-	-
-	-	-
7,725	870	6,855
(4,471)	3,958	8,429
-	-	-
-	-	-
-	-	-
(4,471)	3,958	8,429
12,177	12,177	-
\$ 7,706	\$ 16,135	\$ 8,429

Equipment Replacement Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
100	60	(40)
-	83	83
100	143	43
-	-	-
-	-	-
700	238	462
700	238	462
(600)	(95)	505
11,000	3,000	(8,000)
-	-	-
11,000	3,000	(8,000)
10,400	2,905	(7,495)
13,891	13,891	-
\$ 24,291	\$ 16,796	\$ (7,495)

(continued)

**Village of Gaines**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget to Actual (continued)**  
**For the Year Ended March 31, 2004**

	Street Maintenance Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 4,300	\$ 4,794	\$ 494
Intergovernmental:			
State	-	-	-
Fines and fees	-	-	-
Interest	80	78	(2)
Miscellaneous	-	-	-
Total revenues	4,380	4,872	492
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Highways and streets	200	238	(38)
Capital outlay	-	-	-
Total expenditures	200	238	(38)
Excess (deficiency) of revenues over expenditures	4,180	4,634	454
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,180	4,634	454
Fund balance - beginning of year	28,197	28,197	-
Fund balance - end of year	\$ 32,377	\$ 32,831	\$ 454

Total			
Budget	Actual	Variance Favorable (Unfavorable)	
\$ 21,504	\$ 25,899	\$ 4,395	
45,500	43,032	(2,468)	
-	30	30	
1,330	458	(872)	
20,499	638	(19,861)	
88,833	70,057	(18,776)	
50,327	42,438	7,889	
45,437	36,924	8,513	
700	238	462	
96,464	79,600	16,864	
(7,631)	(9,543)	(1,912)	
39,352	33,635	(5,717)	
(3,760)	-	3,760	
35,592	33,635	(1,957)	
27,961	24,092	(3,869)	
96,991	96,991	-	
\$ 124,952	\$ 121,083	\$ (3,869)	

**Village of Gaines**  
**Combining Statement of Changes in Assets**  
**and Liabilities - All Agency Fund Types**  
**March 31, 2004**

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
<u><b>Current Tax</b></u>				
<b>Assets</b>				
Cash and cash equivalents	\$ 4,332	\$ 58,624	\$ 62,475	\$ 481
Total assets	<u>\$ 4,332</u>	<u>\$ 58,624</u>	<u>\$ 62,475</u>	<u>\$ 481</u>
<b>Liabilities</b>				
Due to other funds	\$ 3,899	\$ 5	\$ 3,904	\$ -
Due to other governments	433	48	-	481
Total liabilities	<u>\$ 4,332</u>	<u>\$ 53</u>	<u>\$ 3,904</u>	<u>\$ 481</u>